



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **BRUCE McPHERSON**

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Contact: Nghia Nguyen Demovic
Caren Daniels-Meade
916-653-6575

Secretary of State Bruce McPherson Assigns Numbers to Eight Measures Certified for the Special Statewide Election

Invites Californians to Submit Ballot Arguments by Tuesday, July 12, 2005

Sacramento – Secretary of State Bruce McPherson today announced proposition numbers for the eight measures that will appear on the November 8 special statewide election, and called on interested citizens to submit arguments to be included in the state ballot pamphlet. These measures qualified for the ballot through the initiative petition process.

The statutory deadline for placing legislative measures was on June 30. However, this statute can be amended to allow the Legislature to add legislative measures to the ballot.

Elections Code section 13115 states the order in which the measures must appear on the ballot. This order is as follows: bond measures appear first, followed by constitutional amendments, other legislative measures, initiative measures, and referenda, with each listed in the order in which they qualify within the category.

The Secretary of State has not received ballot arguments and is therefore inviting interested Californians to submit arguments for or against any of the ballot measures. If selected for inclusion, they will be part of the materials that go on public display during the ballot pamphlet public display period, Tuesday, July 26 through Monday, August 15. If multiple arguments are submitted, state law provides that preference be given to those written by the proponents of the initiative, followed by arguments signed by bona fide associations of citizens, and then individual voters. No more than three signers shall appear with any argument or rebuttal to an argument.

Listed below are the measures (with assigned proposition numbers) that will appear on the November ballot in the order of qualification:

73 Termination of Minor's Pregnancy. Waiting Period and Parental Notification. Initiative Constitutional Amendment. Amends California Constitution to bar abortion on unemancipated minor until 48 hours after physician notifies minor's parent/legal guardian, except in medical emergency or with parental waiver. Permits judicial waiver of notice based on clear and convincing evidence of minor's maturity or minor's best interests. Physician must report abortions performed on minors and State shall compile statistics. Authorizes monetary damages for violation. Minor must consent to abortion unless mentally incapable or in medical emergency. Permits judicial relief if

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minor's consent to abortion is coerced. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: The net costs of this measure to Medi-Cal and other programs are unknown, but are probably not significant in the context of the total expenditures for these programs.

- 74 Public School Teachers. Waiting Period for Permanent Status. Dismissal. Initiative Statute.** Increases length of time required before a teacher may become a permanent employee from two complete consecutive school years to five complete consecutive school years; measure applies to teachers whose probationary period commenced during or after the 2003-2004 fiscal year. Authorizes school boards to dismiss a permanent teaching employee who receives two consecutive unsatisfactory performance evaluations. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Unknown impact on school district teacher salary costs as a result of changes in teacher tenure and dismissal practices. Fiscal impacts could vary significantly district by district.
- 75 Public Employee Union Dues. Required Employee Consent for Political Contributions. Initiative Statute.** Prohibits public employee labor organizations from using dues or fees for political contributions unless the employee provides prior consent each year on a specified written form. Prohibition does not apply to dues or fees collected for charitable organizations, health care insurance, or other purposes directly benefitting the public employee. Requires labor organizations to maintain and submit to the Fair Political Practices Commission records concerning individual employees' and organizations' political contributions; those records are not subject to public disclosure. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Probably minor state and local government implementation costs, potentially offset in part by revenues from fines and/or fees.
- 76 School Funding. State Spending. Initiative Constitutional Amendment.** Changes state minimum school funding requirements (Proposition 98), permitting suspension of minimum funding, but terminating repayment requirement, and eliminating authority to reduce funding when state revenues decrease. Excludes above-minimum appropriations from schools' funding base. Limits state spending to prior year total plus revenue growth. Shifts excess revenues from schools/tax relief to budget reserve, specified construction, debt repayment. Requires Governor to reduce state appropriations, under specified circumstances, including employee compensation, state contracts. Continues prior year appropriations if new state budget delayed. Prohibits state special funds borrowing. Requires payment of local government mandates.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Spending limit could constrain state expenditures over time. Other provisions would have major impacts on state budget decision making, which could lead to varying outcomes regarding the level of state spending and on the composition of that spending among education, transportation, and other state programs. Provisions allowing Governor to reduce appropriations could result in lower state spending in certain years when the state was facing unresolved budget shortfalls.

- 77 Reapportionment. Initiative Constitutional Amendment.** Amends state Constitution's process for redistricting California's Senate, Assembly, Congressional and Board of Equalization districts. Requires three-member panel of retired judges, selected by legislative leaders, to adopt new redistricting plan if measure passes and again after each national census. Panel must consider legislative, public proposals/comments and hold public hearings. Redistricting plan becomes effective immediately when adopted by judges' panel and filed with Secretary of State. If voters subsequently reject redistricting plan, process repeats. Specifies time for judicial review of adopted redistricting plan; if plan fails to conform to requirements, court may order new plan. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would have the following major fiscal impact: One-time state redistricting costs, probably totaling a few million dollars. Comparable savings for each redistricting effort after 2010 (once every ten years).
- 78 Prescription Drugs. Discounts. Initiative Statute.** Establishes discount prescription drug program, overseen by the Department of Health Services. Enables certain low- and moderate- income California residents to purchase prescription drugs at reduced prices. Imposes \$15 application fee, renewable annually. Requires Department's prompt determination of residents' eligibility, based on listed qualifications. Authorizes Department to contract with pharmacies to sell prescription drugs at agreed-upon discounts negotiated in advance, and to negotiate rebate agreements with drug manufacturers. Permits outreach programs to increase public awareness. Creates state fund for deposit of rebate payments from drug manufacturers. Allows program to be terminated under specified conditions. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: One-time and ongoing state costs, potentially in the millions to low tens of millions of dollars annually, for administration and outreach activities to implement the new drug discount program. A significant share of these costs would probably be borne by the state General Fund. A largely one-time state cost, potentially in the low tens of millions of dollars, to cover the funding gap between the time when drug rebates are collected by the state and when the state pays funds to pharmacies for drug discounts provided to consumers.

Any such costs not covered through advance rebate payments from drug manufacturers would be borne by the state General Fund. Unknown savings on state and county health program costs due to the availability of drug discounts.

79 Prescription Drug Discounts. State-Negotiated Rebates. Initiative

Statute. Provides for prescription drug discounts to Californians who qualify based on income-related standards, to be funded through rebates from participating drug manufacturers negotiated by California Department of Health Services. Rebates must be deposited in State Treasury fund, used only to reimburse pharmacies for discounts and to offset administration costs. At least 95% of rebates must go to fund discounts. Prohibits new Medi-Cal contracts with manufacturers not providing the Medicaid best price to this program, except for drugs without therapeutic equivalent. Establishes oversight board. Makes prescription drug profiteering, as defined, unlawful. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: One-time and ongoing state costs, potentially in the millions to low tens of millions of dollars annually, for administration and outreach activities for a new drug discount program. A significant share of these costs would probably be borne by the state General Fund. A largely one-time state cost, potentially in the low tens of millions of dollars, to cover the funding gap between the time when drug rebates are collected by the state and when the state pays funds to pharmacies for drug discounts provided to consumers. Any such costs not covered through advance rebate payments from drug makers would be borne by the state General Fund. Unknown costs and savings as a result of provisions linking drug prices for the new drug discount program to Medi-Cal prices, including the potential effect on the state's receipt of supplemental rebates; unknown savings on state and county health program costs due to the availability of drug discounts; and unknown costs and offsetting revenues from the anti-profiteering provisions.

80 Electric Service Providers. Regulation. Initiative Statute.

Subjects electric service providers, as defined, to control and regulation by California Public Utilities Commission. Imposes restrictions on electricity customers' ability to switch from private utilities to other electric providers. Provides that registration by electric service providers with Commission constitutes providers' consent to regulation. Requires all retail electric sellers, instead of just private utilities, to increase renewable energy resource procurement by at least 1% each year, with 20% of retail sales procured from renewable energy by 2010, instead of current requirement of 2017. Imposes duties on Commission, Legislature and electrical providers. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Annual state costs of up to \$4 million for regulatory activities of the California Public Utilities Commission. These costs would be fully offset by fee revenues. Unknown impact on state and local costs and revenues, as the measure's impact on retail electricity rates is uncertain.

Any voter may submit an argument for or against a measure. Each argument submission must not exceed 500 words and should be typed double-space. The deadline to submit ballot arguments is Tuesday, July 12 by 5 pm. The arguments may be hand delivered or faxed to the Secretary of State's Elections Division at (916) 653-3214; however, original copies must be received within 72 hours of the deadline. Rebuttals to the arguments are due by Thursday, July 21 at 5 pm. A maximum of 250 words may be used.

Additional information on argument requirements and specifications should be directed to the Ballot Pamphlet Coordinator at (916) 657-2166.